

CIA INTERNAL USE ONLY

23 October 1969

MEMORANDUM FOR THE RECORD

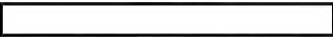
SUBJECT: CIA Retirement Act

1. Mr. Wilfred H. Rommel, Assistant Director for Legislative Reference, Bureau of the Budget, called clearing our legislative package submitted 21 October 1969 to update the CIA Retirement Act to the Daniels bill. He said the clearance was on a "no objection" basis.

2. Mr. Rommel said that, upon completion of the actuarial study of the CIA Retirement Act, BOB would like to receive advice on the extent to which the new contribution rates, equaling 14 percent, are sufficient to meet "normal costs" and recommendations from the Agency on a plan to meet the "unfunded liability" of the Fund.

3. Mr. Rommel said we would be receiving a letter from BOB on the above points, but that he wanted to give us oral clearance so that we could transmit our legislation to the Congress immediately.

SIGNED


Assistant Legislative Counsel

STATINTL

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CIA INTERNAL USE ONLY

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

OCT 23 1969

Honorable Richard Helms
Director, Central
Intelligence Agency
Washington, D. C. 20505

STATINTL

Attention: [REDACTED]
Legislative Counsel

STATINTL

Dear Mr. Helms:

This is in response to [REDACTED] request of October 21, 1969, for advice on a draft bill "To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, and for other purposes."

The draft bill would provide for employees covered under the CIA Retirement Act the benefit liberalizations recently provided for Federal employees under the Civil Service retirement system in P.L. 91-93. We recognize the equity of providing to members of the CIA retirement system benefits equivalent to those available to members of the civil service retirement system.

On the other hand, a primary purpose of P.L. 91-93 was to provide adequate financing for the civil service retirement system. It does this by providing for:

- contribution rates which completely cover normal cost (13.98%),
- special appropriations in amounts equal to the unfunded liability resulting from future pay raises, liberalizations of benefits, or extensions of coverage to other groups,

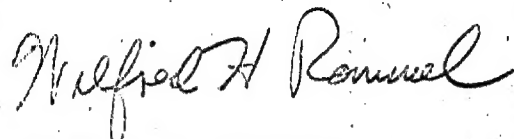
- annual payments from the Treasury to cover interest on the existing unfunded liability, and
- annual payments from the Treasury to cover the annual cost of annuity payments attributable to military service credits.

We believe that adequate financing should also be provided for the CIA retirement system. We understand that an actuarial study of the CIA retirement system is currently underway and will be completed in the near future. When the results are available, we would appreciate your advising us:

- if the combined employee/agency contributions contained in your draft bill will cover the normal cost of the CIA system and, if not, how you would propose to fund the normal cost, and
- how interest on the existing unfunded liability and new unfunded liability resulting from future pay increases and benefit liberalizations should be funded.

In the interim, however, there is no objection, from the standpoint of the Administration's program, to the submission of the draft legislation to the Congress.

Sincerely yours,



Wilfred H. Rommel
Assistant Director for
Legislative Reference

EXECUTIVE OFFICE OF THE PRESIDENT

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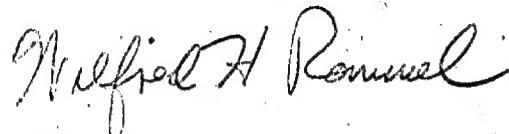
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Wilfred H. Rommel
Assistant Director for
Legislative Reference

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